



Nama Khoi Municipality

14 APRIL 2014

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 MARCH 2014 (MONTHLY BUDGET STATEMENT) – 2013/2014 FINANCIAL YEAR**

1. PURPOSE

To comply with section 71 of the MFMA, by providing a monthly statement on the implementation of the budget and financial state of affairs of the municipality to the Council, as legislated.

2. STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.

For the reporting period ending 31 MARCH 2014, ten working days reporting limit expires on 14 APRIL 2014.

3. QUERIES AND SUGGESTIONS

***The financial services division will appreciate if all queries and suggestions can be address to the Chief Financial Officer in writing**

4. REPORT FOR THE PERIOD ENDING 31 MARCH 2014

This report is based upon financial information, as at 31 MARCH 2014 and available at the time of preparation.

The financial results for the period ended 31 MARCH 2014 are summarised as follows:

Statement of Financial Performance (SFP) (Annexure B – TABLE C4)

The SFP shown in Annexure B is prepared on a similar basis to its prescribed budget format, detailing by source, excluding capital transfers and contributions and including expenditure by type. The summary report indicates the following:

Table of Contents

Page 3	Table C4-Financial Performance
Page 4	Reasons for variances
Page 6	CHART 1- Revenue by source
Page 7	CHART 2 – Expenditure by type
Page 8	Table C3 – Revenue and expenditure by vote
Page 10	CHART 3 – Revenue by vote
Page 11	CHART 4 – Expenditure by vote
Page 12	Summary Report Capital funding sources
Page 13	Capital expenditure by standard
Page 14	CHART 6 Capital expenditure
Page 15	CHART 7 Capital Expenditure by vote
Page 16	Cash Flow Statement
Page 17	Debtors Age analysis
Page 18	CHART 8 Debtors outstanding per revenue source
Page 19	CHART 9 – Debtors outstanding per category
Page 20	Creditors age analysis
Page 22	Report on outstanding money
Page 24	Employee Related Cost
Page 26	Financial Implications/Recommendations
Page 27	Interdepartmental and Cluster Impact
Page 28	Quality Certificate
Page 29	Annexure A
Page 31	C-Schedule Table of contents

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates			34 052		90	27 319	34 328	(7 009)	-20%	
Property rates - penalties & collection charges					82	634	–	634	#DIV/0!	
Service charges - electricity revenue			75 393		5 484	41 450	55 677	(14 227)	-26%	
Service charges - water revenue			29 546		2 213	15 552	24 123	(8 571)	-36%	
Service charges - sanitation revenue			7 209		581	4 679	5 408	(729)	-13%	
Service charges - refuse revenue			10 066		732	5 859	7 497	(1 638)	-22%	
Service charges - other					83	691	–	691	#DIV/0!	
Rental of facilities and equipment			33		85	404	29	374	1270%	
Interest earned - external investments			1 999		25	520	1 652	(1 132)	-69%	
Interest earned - outstanding debtors			1 244		235	1 736	870	866	99%	
Dividends received					–		–	–		
Fines			250		26	186	141	45	32%	
Licences and permits			1 106		80	880	835	45	5%	
Agency services			1 206		81	822	876	(54)	-6%	
Transfers recognised - operational			37 350		8 455	36 051	37 350	(1 299)	-3%	
Other revenue			13 361		57	736	–	736	#DIV/0!	
Gains on disposal of PPE								–		
Total Revenue (excluding capital transfers and contributions)		–	212 815	–	18 309	137 518	168 786	(31 268)	-19%	–
Expenditure By Type										
Employee related costs			68 788		5 668	50 395	52 967	(2 572)	-5%	
Remuneration of councillors			4 444		369	3 369	3 266	103	3%	
Debt impairment			2 943		–		–	–		
Depreciation & asset impairment			5 103		–		–	–		
Finance charges			2 044		–	306	–	306	#DIV/0!	
Bulk purchases			72 544		–	58 448	55 859	2 589	5%	
Other materials			10 672		–		957	(957)	-100%	
Contracted services			100		–	1 356	45	1 311	2913%	
Transfers and grants			6 226		45	174	4 109	(3 935)	-96%	
Other expenditure			32 449		1 899	40 480	24 418	16 062	66%	
Loss on disposal of PPE								–		
Total Expenditure		–	205 313	–	7 980	154 529	141 621	12 908	9%	–
Surplus/(Deficit)		–	7 502	–	10 329	(17 011)	27 165	(44 176)	(0)	–
Transfers recognised - capital			28 274					–		
Contributions recognised - capital								–		
Contributed assets								–		
Surplus/(Deficit) after capital transfers & contributions		–	35 776	–	10 329	(17 011)	27 165			–
Taxation								–		
Surplus/(Deficit) after taxation		–	35 776	–	10 329	(17 011)	27 165			–
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		–	35 776	–	10 329	(17 011)	27 165			–
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		–	35 776	–	10 329	(17 011)	27 165			

Reasons for variances

The Major revenue variances against the budget are:

For a better comparison between actual and budgeted amounts the municipality must calculate revenue per month on revenue items differently; e.g. Property rates should be calculated on a different basis as service charges as electricity and water varies between seasons whereas property rates are billed once but is receive throughout the year.

Please note YTD variance % is as follows: negative variance means less revenue was billed positive variance means the more revenue was billed.

Property Rates –the difference are as result of the following: there is no correspondence between the property rates billed and property rates budget, the income department did not ensure that the monthly budget as per A1-Schedule correspond to the monthly billed amounts which limit variances on a monthly basis.

Service charges electricity- This service have a variance of 16% it means that less electricity was billed than what was budgeted, pre-paid electricity is less than what was budgeted meaning people bought less electricity than the budgeted amount. Seasonal difference need to take in consideration as electricity income varies between summer and winter.

Service charges water – This service shows that the municipality billed 26% than what was budgeted, water service for the year was calculated taking into account all factors the problem arise when calculating the month to month budget, the municipality need to take factors such as seasonal difference when calculating service charges for water and electricity.

Service charges sanitation – This service shows that the municipality billed 3% less than what was budget meaning that the municipality are using proper measures for calculating this service charge. 3% is relatively low meaning the municipality are in line with the calculations.

Service charges refuse removal – The municipality billed less than what was budgeted, the month to month budget planning needs to be more accurate. Refuse removal for consumers are a fixed amount and the municipality therefore should be more accurate in calculating this budgeted figures.

Service charges other – This service is not budgeted and is recognised in the budget under other revenue, however on the financial system it is recognised as service charges , this need to be rectified to show the comparison between budget and actual. The description in the financial system, service charges which are income received other than basic service delivered by the municipality should be recognised s other revenue.

Rental of equipment and facilities – The variance shows that the billed more for this service than what was budgeted; reason being at the time of the compilation of the budgeted the municipality operating lease register was outdated.

Interest earned – The municipality needs a finance model or procedure to calculate these revenue items, the unknown factors such as debtors paying or not paying their accounts make it difficult to budget for these revenue items.

Fines, Licences & permits, and agency services shows the municipality billed more revenue than what was budgeted for. The reason is because the municipality does not have a proper manner of budgeting for these items, these items can also be unpredictable which makes the budgeting process challenging.

Transfer recognised operational – The reason for the difference is that on the budgeted amount a ratio was use, meaning the previous year's allocation was taken and the ratio was calculated and use to calculate the current year's, this was not correct as the schedule should be use.

Other revenue – the municipality did not budget to receive other income in the period July to February, correspondence between the revenue by source and vote needs to be rectified in the adjusted budget.

The major expenditure variances against budget are:

Employee related cost – the variance of -5% shows that the municipality spend less than what was budget thus keeping to the expenditure plan.

Remuneration of councillors – the variance shows that the municipality paid 3% more than what was budget, expenditure department must ensure that all factors are included in the budget amount. Remuneration is gazetted and should therefore be 100% in line.

Finance charges – the finance charges thus far relates to interest paid, the municipality did not budget this interest on a monthly basis the interest amount is only budgeted at year end.

Bulk purchases should also be calculated by the expenditure department as information is not timely captured and therefore the previous year's information not reliable. As per information above the bulk purchases for the month of March 2014 was not captured at the time of extracting reports from the financial system for compilation of reports. There was a journal passed in the March 2014 period for the correction of the bulk purchases, the R7 106 380 will have an effect on the year to date figure.

Other materials – repair and maintenance budget are included under other expenditure, repair and maintenance needs to be budget correctly and under the correct item under the budget. All repair and maintenance was clustered under the correct type in the draft budget and the municipality need to make sure this is done at final budget stage to ensure accurate reporting for the next financial year.

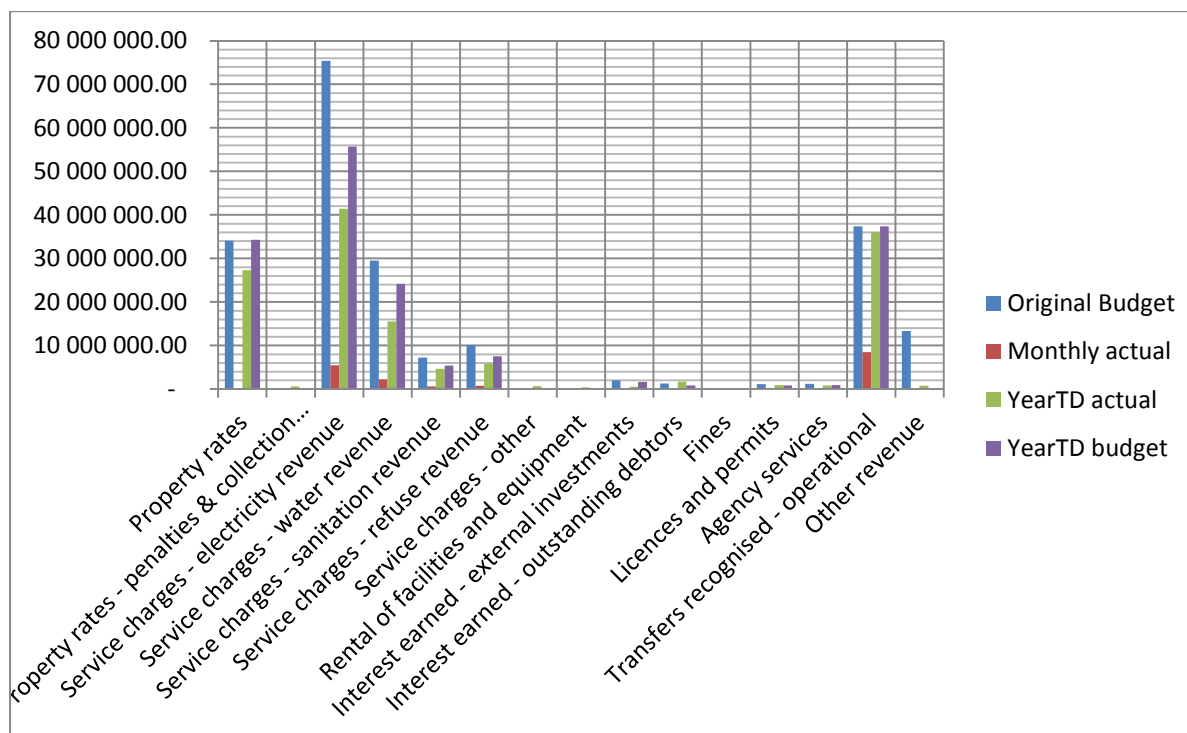
Contract service and transfers and grants needs to be calculated not only the yearly total, budget the month to month amount should be planned correctly.

Other expenditure – Each department should investigate their budgets and start to curb expenditure as the municipality already spend R16 062 million more than what was budgeted at this stage. The following items eskom infrastructure, interest paid, legal expenses are overspent.

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March						
Description	Budget Year 2014/15					
Revenue By Source	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Property rates	34 052 334.76	89 520.23	27 318 681.00	34 327 599.13	-7 008 918.13	79.58%
Property rates - penalties & collection charges		82 434.34	633 782.00	-	633 782.00	
Service charges - electricity revenue	75 393 495.53	5 483 875.91	41 449 657.75	55 676 622.89	-14 226 965.14	74.45%
Service charges - water revenue	29 545 507.50	2 212 889.43	15 552 499.12	24 123 010.06	-8 570 510.94	64.47%
Service charges - sanitation revenue	7 208 769.46	581 271.22	4 678 804.32	5 407 843.77	-729 039.45	86.52%
Service charges - refuse revenue	10 066 316.70	732 442.83	5 858 810.81	7 496 519.97	-1 637 709.16	78.15%
Service charges - other		83 147.75	691 069.01	-	691 069.01	
Rental of facilities and equipment	32 958.48	84 721.32	403 525.00	29 464.05	374 060.95	1369.55%
Interest earned - external investments	1 998 940.00	24 933.00	519 959.00	1 652 193.37	-1 132 234.37	31.47%
Interest earned - outstanding debtors	1 243 921.53	234 916.14	1 736 389.00	870 394.95	865 994.05	199.49%
Fines	250 281.61	26 180.86	185 577.00	140 881.56	44 695.44	131.73%
Licences and permits	1 105 543.90	79 544.51	880 071.00	835 312.01	44 758.99	105.36%
Agency services	1 205 712.54	81 146.61	822 348.00	876 298.92	-53 950.92	93.84%
Transfers recognised - operational	37 350 000.00	8 455 000.00	36 050 834.00	37 350 000.00	-1 299 166.00	96.52%
Other revenue	13 361 276.11	56 826.98	736 451.00	-	736 451.00	
Total Revenue	212 815 058.12	18 308 851.13	137 518 458.01	168 786 140.68	-31 267 682.67	81.47%

CHART 1

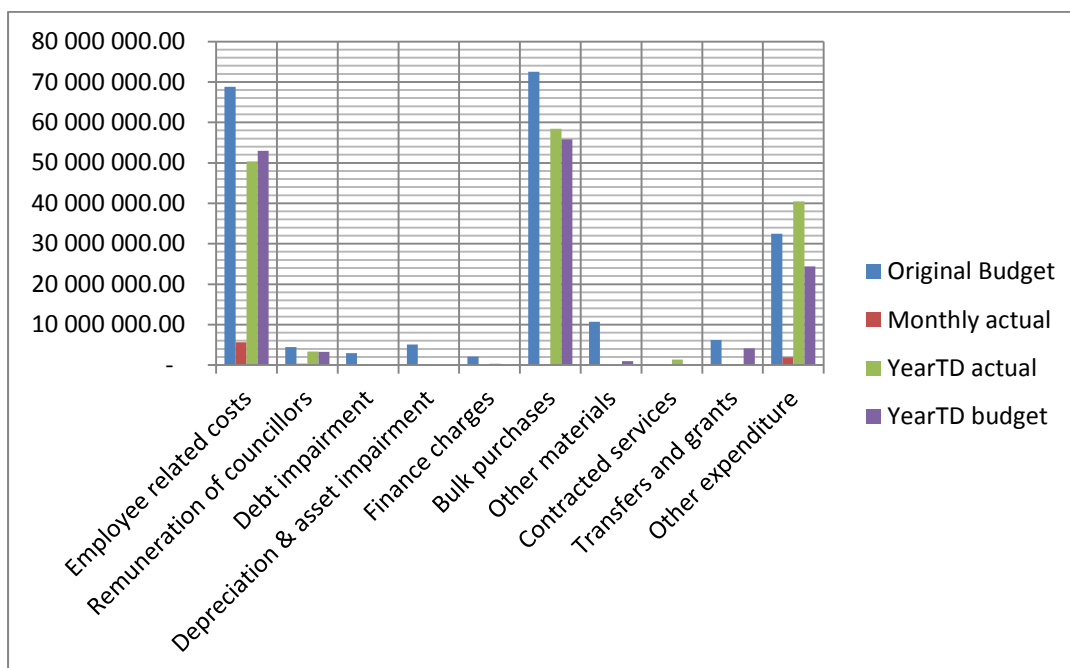
The following chart shows the revenue by source differences between the actual year to date figures and the budgeted year to date, CHART as per information above.



Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Employee related costs	68 788 372.28	5 668 252.21	50 395 485.00	52 967 046.66	-2 571 561.66	95.14%
Remuneration of councillors	4 443 884.47	368 616.10	3 369 255.00	3 266 255.09	102 999.91	103.15%
Debt impairment	2 942 941.00	-		-	-	
Depreciation & asset impairment	5 103 265.00	-		-	-	
Finance charges	2 043 824.00	-	306 414.00	-	306 414.00	
Bulk purchases	72 543 967.00	-	58 447 961.00	55 858 854.59	2 589 106.41	104.64%
Other materials	10 672 000.00	-		957 214.92	-957 214.92	0.00%
Contracted services	100 000.00	-	1 355 911.00	45 000.00	1 310 911.00	3013.14%
Transfers and grants	6 225 720.00	44 640.00	174 092.00	4 108 975.20	-3 934 883.20	4.24%
Other expenditure	32 449 024.17	1 898 664.60	40 480 321.00	24 417 890.68	16 062 430.32	165.78%
Total Expenditure	205 312 997.92	7 980 172.91	154 529 439.00	141 621 237.14	12 908 201.86	109.11%

CHART 2

The following chart shows the expenditure by type differences between the actual year to date figures and the budgeted year to date figure, Chart as per information above



The table below indicates revenue and expenditure by vote

Annexure B – Table C3

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March						
Vote Description	Budget Year 2014/15					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue by Vote						
Vote 1 - Municipal Manager	534 225	35 853	551 340	400 644	150 696	138%
Vote 2 - Financial Services	71 759 125	8 903 457	66 374 160	53 817 201	12 556 959	123%
Vote 3 - Corporate Services	7 972 480	47 300	133 202	5 979 123	-5 845 921	2%
Vote 4 - Community Development	17 835 180	852 088	7 682 781	13 375 845	-5 693 064	57%
Vote 5 - Public Safety	2 566 276	186 175	1 795 391	1 924 596	-129 205	93%
Vote 6 - Electrical Engineering Services	87 393 496	5 486 207	46 996 742	56 542 869	-9 546 127	83%
Vote 7 - Infrastructure, Engineering & Technical Services	53 028 277	2 797 772	23 072 258	27 564 606	-4 492 348	84%
Total Revenue by Vote	241 089 058	18 308 852	146 605 874	159 604 884	-12 999 010	92%
Expenditure by Vote						
Vote 1 - Municipal Manager	18 314 729	1 058 850	14 849 919	13 074 894	1 775 025	114%
Vote 2 - Financial Services	28 115 476	2 152 019	26 623 696	21 253 239	5 370 457	125%
Vote 3 - Corporate Services	19 058 718	920 684	14 242 591	14 340 996	-98 405	99%
Vote 4 - Community Services: Community Development	20 841 705	1 083 271	10 040 836	16 084 485	-6 043 649	62%
Vote 5 - Community Services: Public Safety	6 648 359	573 947	5 242 408	5 181 237	61 171	101%
Vote 6 - Electrical Engineering Services	60 935 146	675 113	39 585 781	46 045 503	-6 459 722	86%
Vote 7 - Infrastructure, Engineering & Technical Services	51 398 865	1 516 288	29 308 898	37 998 297	-8 689 399	77%
Total Expenditure by Vote	205 312 998	7 980 172	139 894 129	153 978 651	-14 084 522	91%
Surplus/ (Deficit) for the year	35 776 060	10 328 680	6 711 745	5 626 233	1 085 512	

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March						
Vote Description	Budget Year 2014/15					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue by Vote						
Vote 1 - Municipal Manager	534 225	35 853	551 340	400 644	150 696	138%
Vote 2 - Financial Services	71 759 125	8 903 457	66 374 160	53 817 201	12 556 959	123%
Vote 3 - Corporate Services	7 972 480	47 300	133 202	5 979 123	-5 845 921	2%
Vote 4 - Community Development	17 835 180	852 088	7 682 781	13 375 845	-5 693 064	57%
Vote 5 - Public Safety	2 566 276	186 175	1 795 391	1 924 596	-129 205	93%
Vote 6 - Electrical Engineering Services	87 393 496	5 486 207	46 996 742	56 542 869	-9 546 127	83%
Vote 7 - Infrastructure, Engineering & Technical Services	53 028 277	2 797 772	23 072 258	27 564 606	-4 492 348	84%
Total Revenue by Vote	241 089 058	18 308 852	146 605 874	159 604 884	-12 999 010	92%

Reasons for Variances

- A variance of above 100% means the municipality billed more revenue than what was budgeted and vice versa.

Municipal manager – The municipality made for on building fees approval than what was budgeted.

Financial Services – There needs to be an alignment between the revenue by source and the revenue by vote, property rates was treated differently between vote and by source, the municipality made the mistake between these two therefore showing the big variance.

Corporate Services – At end March 2014 the variance between actual and budgeted amount are only 2% this is very low giving the indication the municipality receive very little income, this is largely as result of the sale of land not realising.

Community development- The following items has not produce the income as budgeted, refuse removal , rental of facilities under commonage and other revenue under commonage. The assessment rate budgeted under commonage should've have been budget under property rates.

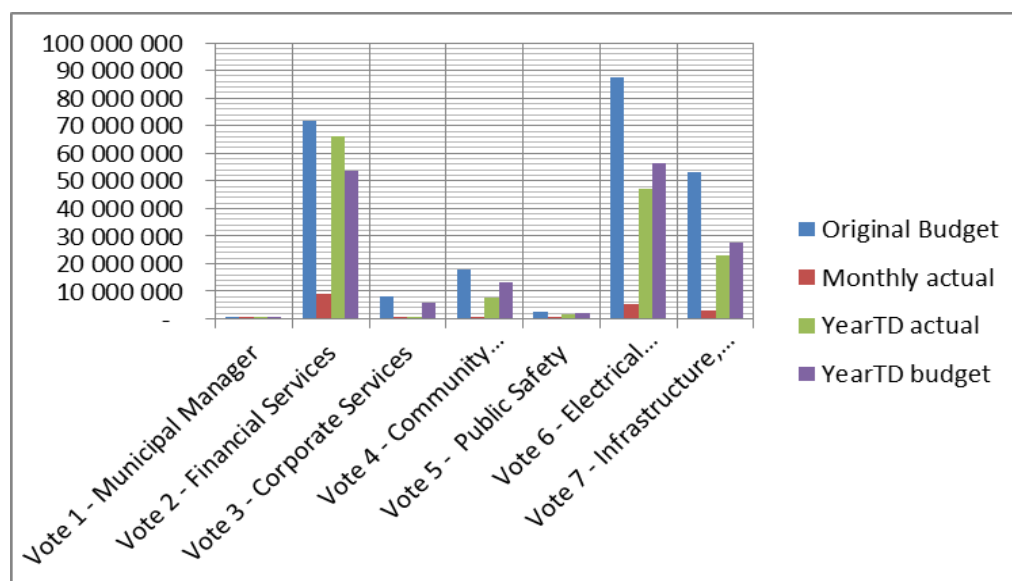
Public safety – The variance of 93% shows that the municipality billed less than what was budget under this department with income from agency fees the biggest contributor.

Electrical Engineering Services - This service have a variance of 83% it means that less electricity was billed than what was budgeted, seasonal difference needs to take in consideration as summer and winter usage of electricity differs.

Infrastructure, Engineering & Technical Services - This service shows that the municipality billed 84% less than what was budgeted, water service for the year was calculated taking into account all factors the problem arise when calculating the month to month budget, the municipality need to take factors such as seasonal difference when calculating service charges for water.

CHART 3

The following chart shows the revenue by vote differences between the actual year to date figures and the budgeted year to date figure



NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (expenditure by municipal vote) - M08 February						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Vote 1 - Municipal Manager	18 314 729	752 996	13 843 684	11 622 128	2 221 556	119%
Vote 2 - Financial Services	28 115 476	2 176 487	24 472 918	18 891 768	5 581 150	130%
Vote 3 - Corporate Services	19 058 718	1 025 418	13 188 725	12 747 552	441 173	103%
Vote 4 - Community Services: Community Development	20 841 705	1 025 296	8 909 365	14 297 320	-5 387 955	62%
Vote 5 - Community Services: Public Safety	6 648 359	565 583	4 668 460	4 605 544	62 916	101%
Vote 6 - Electrical Engineering Services	60 935 146	538 999	38 647 958	40 929 336	-2 281 378	94%
Vote 7 - Infrastructure, Engineering & Technical Services	51 398 865	1 470 396	27 665 157	33 776 264	-6 111 107	82%
Total Expenditure by Vote	205 312 998	7 555 175	131 396 267	136 869 912	-5 473 645	96%

Reasons for variances

- A variance of above 100% shows that municipality spend more than what was budgeted and vice versa

Municipal Manager- With a variance of 119% this department expenditure are more than what was budgeted at this stage; the following items are the biggest contributors: RDP housing expenditure this expenditure was wrongfully captured under capital expenditure, legal expenses and membership and subscriptions.

Financial services – The variance relates to the following revenue foregone, interest paid which was not budgeted as it is fruitless and wasteful expenditure and valuation services which was not budgeted in the current year. Revenue foregone relates to the free basic services the municipality gives to the community this needs to be distributed to the different service department.

Corporate services – The variance relates to the following items that are already overspent, internal service charges, postage, cell phone, legal expenses, seta training .

Community Development – The variance are there because all the sub-department spend less than what was budgeted therefore not adhere to the planned expenditure for the department.

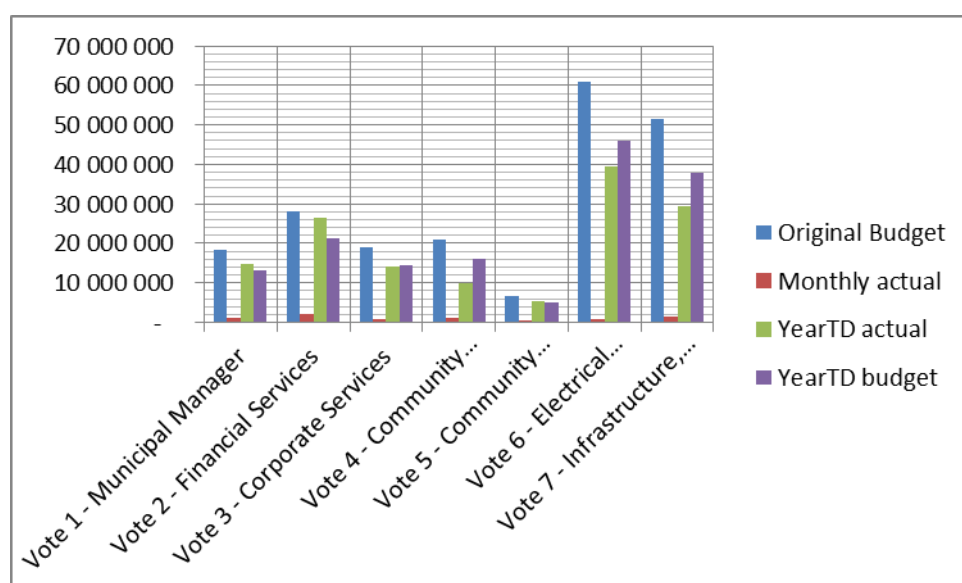
Public safety – The variance of 101% shows that this department keeps to the planned expenditure.

Electrical Engineering Services – The variance are there because the budgeted and billed bulk purchases differ, meaning the municipality spend more on bulk purchases as what was budgeted, bulk purchases should be updated correctly and on time. Eskom: Electr infrastructure and repair & maintenance are overspent compared to what was spent.

Infrastructure, Engineering & Technical Services – The variance are there because the following items were less than what was budgeted, repair and maintenance, bulk purchases and general expenses.

CHART 4

The following chart shows the expenditure by vote differences between the actual year to date figures and the budgeted year to date figure, Chart as per information above



Capital expenditure report (Annexure B – Table C5)

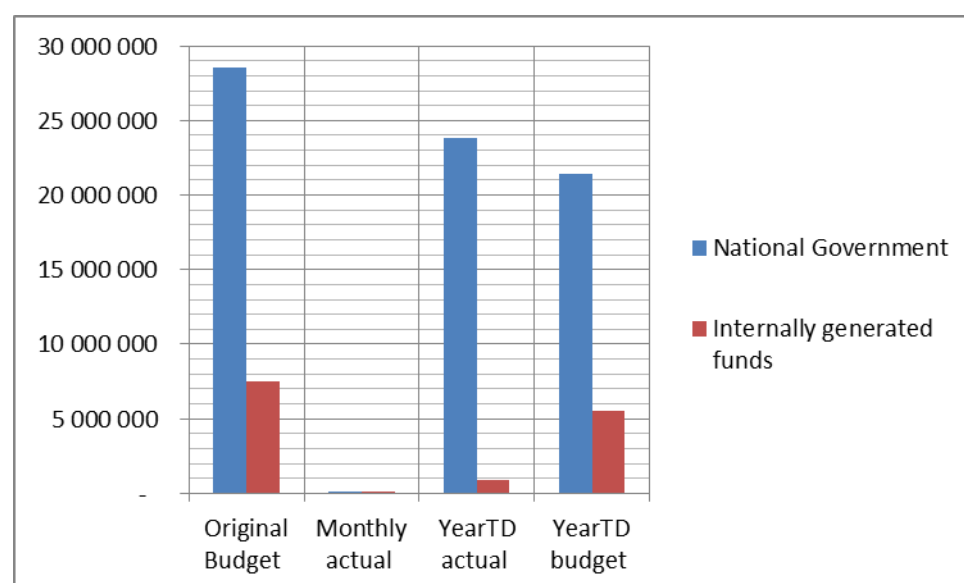
The Capital expenditure report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

The summary report below shows the capital funding sources

Vote Description	Budget Year 2014/15					
Funded by:	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
National Government	28 514 000	158 349	23 827 724	21 384 639	2 443 085	111%
Internally generated funds	7 500 150	1 748	884 244	5 512 383	-4 628 139	16%
Total Capital Funding	36 014 150	160 097	24 711 968	26 897 022	-2 185 054	92%

CHART 5

The following chart shows the year to date differences between the funding sources, Chart as per information above



The following report shows the Capital Expenditure by standard classification differences between actual year to date spending and budgeted year to date.

Capital Expenditure by Standard						
Capital Expenditure - Standard Classification						
Corporate services	4 000 000	1 722	178 485	2 137 419	-1 958 934	8%
Sport and recreation	265 150	-	65 100	154 377	-89 277	42%
Planning and development	16 324 000	158 349	18 525 204	12 205 008	6 320 196	152%
Electricity	12 240 000	-	5 302 520	9 179 631	-3 877 111	58%
Waste water management	1 200 000	-	479 924	1 199 952	-720 028	40%
Waste management	1 600 000	-	-	899 964	-899 964	0%
Other	385 000	26	160 735	1 120 671	-959 936	14%
Total Capital Expenditure	36 014 150	160 097	24 711 968	26 897 022	-2 185 054	92%

Reasons for major differences between actual spending and budgeted expenditure:

Capital expenditure shows that the municipality spend more on projects that was budgeted for in the period July 2013 to February 2014.

Executive and council – During the month of January and February 2014 corrections was made the housing expenditure which was captured under the capital budget was move to the operational budget. The municipality also had more expenditure for equipment at this stage.

Budget and Treasury office – Store bins that was purchase was not budget under this department.

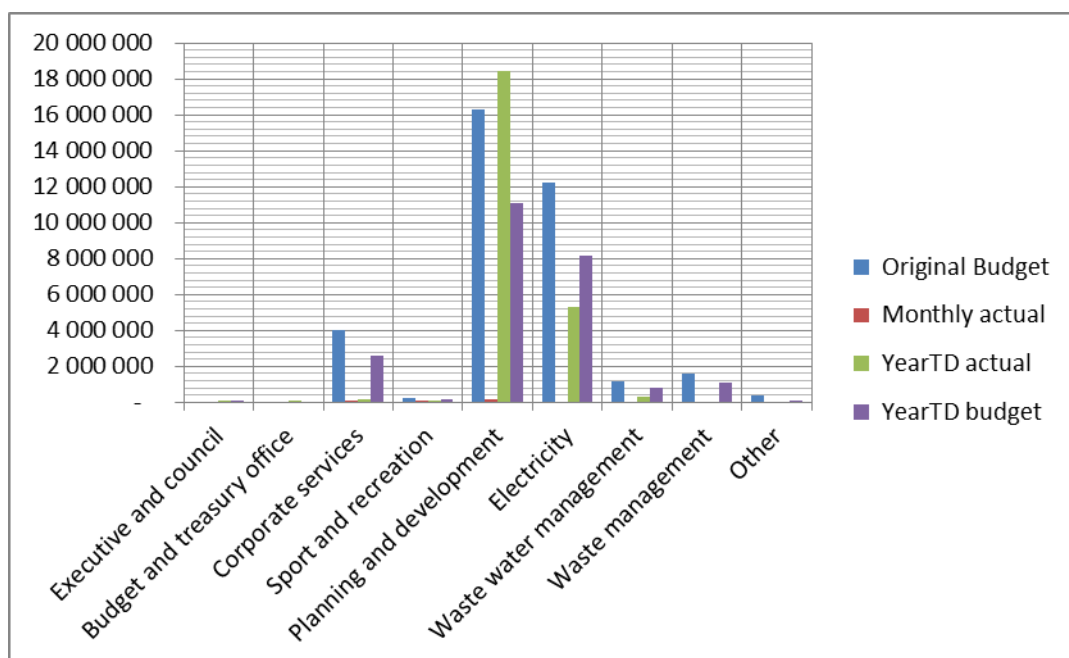
Corporate services, sport and recreation, waste water management, waste management and other (workshop) – these capital expenditure/projects was intended to be funded out of the R7 719 000 as identified in the budget under Corporate Services sale of land and stands, since this specific sale of land and stands did not occur these expenditure did not occur as planned.

Electricity – the variance are there because the actual project plans does not correspond with month to month budget, the actual projects and the budgeted projects differ.

Road Transport - the variance are there because the actual project plans does not correspond with month to month budget, the actual projects and the budgeted projects differ. The development department should before the budget is finalised ensure that their business plan are submitted to the finance department to ensure alignment between the actual projects and the budget.

CHART 6

The following chart shows the year to date differences between actual year to date spending and budgeted year to date capital expenditure, Chart as per information on page 11

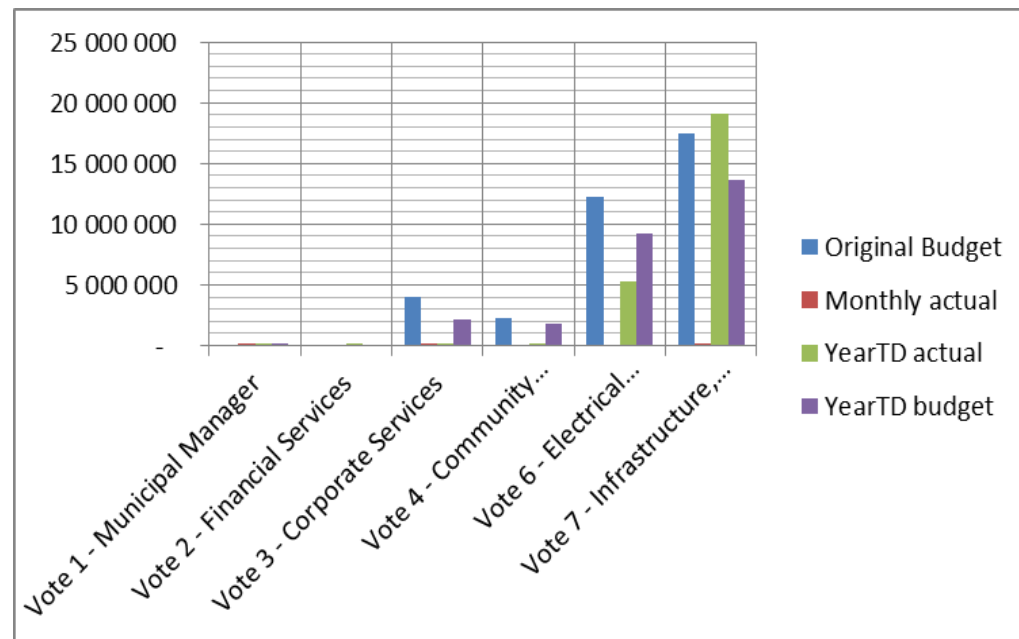


The following report shows the Capital Expenditure by vote differences between actual year to date spending and budgeted year to date.

NC062 Nama Khoi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote,) - M09 March						
Vote Description	Budget Year 2014/15					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Vote 1 - Municipal Manager	-	26	36 310	37 494	-1 184	97%
Vote 2 - Financial Services	-	-	10 030	-	10 030	
Vote 3 - Corporate Services	4 000 000	1 722	178 485	2 137 419	-1 958 934	8%
Vote 4 - Community Services: Community Development	2 250 150	-	65 100	1 848 780	-1 783 680	4%
Vote 6 - Electrical Engineering Services	12 240 000	-	5 302 520	9 179 631	-3 877 111	58%
Vote 7 - Infrastructure, Engineering & Technical Services	17 524 000	158 349	19 119 523	13 693 698	5 425 825	140%
Total	36 014 150	160 071	24 665 628	26 859 528		92%

CHART 7

The following chart shows the year to date differences between actual year to date spending and budgeted year to date capital expenditure



CASH FLOW STATEMENT AT 31 MARCH 2014

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M09 March										
Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other			155 033		15 272	144 990	116 275	28 715	25%	
Government - operating			37 350		8 455	39 543	36 261	3 282	9%	
Government - capital			28 274		11 318	33 900	28 274	5 626	20%	
Interest			3 243		261	2 199	2 432	(233)	-10%	
Dividends								-		
Payments										
Suppliers and employees			(197 669)		(14 463)	(175 794)	(148 252)	27 542	-19%	
Finance charges			(2 044)				(1 533)	(1 533)	100%	
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	24 187	-	20 844	44 838	33 457	11 380	34%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE			7 719				5 789	(5 789)	-100%	
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets			(35 993)		(769)	(23 323)	(26 995)	(3 672)	14%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(28 274)	-	(769)	(23 323)	(21 206)	2 117	-10%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans					-	-		-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing			(512)			(1 266)	(384)	882	-230%	
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(512)	-	-	(1 266)	(384)	882	-230%	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	(4 599)	-	20 075	20 248	11 868			-
Cash/cash equivalents at beginning:			5 371			1 553	5 371			1 553
Cash/cash equivalents at month/year end:		-	772	-		21 801	17 238			1 553

The cash flow statement shows that the municipality had a balance of R21 801million in the primary bank account at 28 March 2014, when comparing the cash flow for the previous month a substantial difference can be notice this is due to the following grants from National Treasury, Equitable Share and Municipal Infrastructure Grant.

The cash flow statement gives the indication as to what actual funds is available, more emphasise need put on the cash flow statement by management to control the position of the municipality and avoid the municipality having cash flow problems. Collection rates of service charges needs to be taken in consideration as it have a direct impact on moneys collected. Moneys collected from service charges needs to be more than the than the expenditure incurred for delivering the service to maintain sustainability.

Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

The following report shows the debtors outstanding at 31 March 2014

Nama Khoi Municipality Age analysis of Debtors 31 March 2014							
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 days-1 Year	Over 1 Year	Total -
Debtors Age Analysis By Income Source							
Water	437 273	734 891	676 209	411 754	1 063 915	9 874 660	13 198 702
Electricity	3 559 924	949 532	591 092	527 634	1 671 902	9 851 983	17 152 067
Property Rates	1 445 831	550 406	416 879	425 068	1 186 179	11 908 460	15 932 823
Waste Water Management	324 503	168 166	108 898	94 278	257 784	2 845 233	3 798 862
Waste Management	585 546	287 904	203 545	180 142	517 187	6 741 826	8 516 150
Other	115 895	85 175	62 104	57 533	320 056	4 208 980	4 849 743
Total By Income Source	6 468 972	2 776 074	2 058 727	1 696 409	5 017 023	45 431 142	63 448 347
Debtors Age Analysis By Customer Group							
Organs of State	469 993	92 133	54 250	135 992	415 644	639 784	1 807 796
Commercial	2 851 620	926 427	707 447	589 974	1 834 027	13 558 036	20 467 531
Households	3 147 359	1 757 514	1 297 030	970 443	2 767 352	31 233 322	41 173 020
Total By Customer Group	6 468 972	2 776 074	2 058 727	1 696 409	5 017 023	45 431 142	63 448 347

Debtors Analysis

The total debtors outstanding as at 31 March 2014 was R63 448 347; the total debtors outstanding at 28 February 2014 is R61 500 177, this is a decrease of R1 948 170 (3.07%) for the period.

Total outstanding debtors for more than 90 days amounts to R50.7million as at 28 February 2014 and R52.1 million as at 30 January 2014, the increase for the period was R1.4 million.

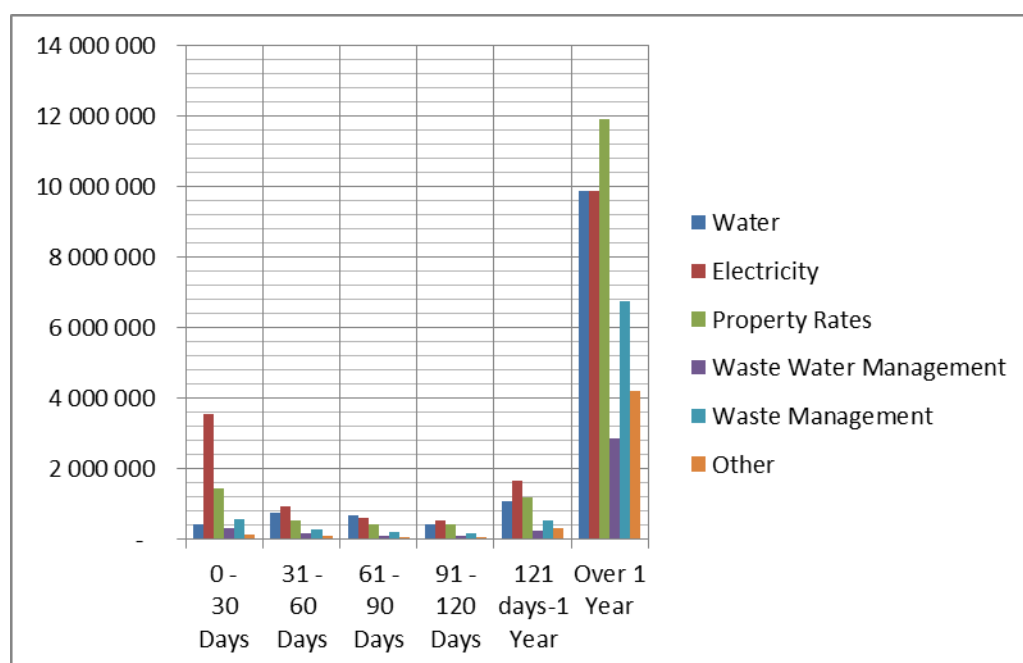
Total outstanding debtors for organs of state and commercial shows that R17 173 million outstanding at 31 March 2014 and for February 2014 the amount outstanding was R20 799; this is a decrease of R3 626.

Total services rendered outstanding amounts to R40 932 million as at 28 February 2014 and for 31 March 2014 R38 625 million this is an increase R2 307 million(5.6%). As debtors are increasing on a monthly basis and are already over the R60 million mark the municipal management must start to using strict methods for collecting debt as the municipality are already experiencing cash flow problems. During the Mid-Year Assessment it was establish that amount of R32 million relates to debtors that did not pay their account in a 12 month period, although certain steps has been taken by the income department debtors are still rising. The income department must calculate what amount of the outstanding debt can be recovered and when they will be able to recover it. On the report outstanding moneys the collection rate states that the municipality collects only 14.51% on all outstanding debt and a 89.52% on the month billings versus month actual money collected, this means the municipality are losing money on a monthly basis.

Chart 8 – Debtors per revenue source

Nama Khoi Municipality Age analysis of Debtors 31 March 2014							
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 days-1 Year	Over 1 Year	Total -
Water	437 273	734 891	676 209	411 754	1 063 915	9 874 660	13 198 702
Electricity	3 559 924	949 532	591 092	527 634	1 671 902	9 851 983	17 152 067
Property Rates	1 445 831	550 406	416 879	425 068	1 186 179	11 908 460	15 932 823
Waste Water Management	324 503	168 166	108 898	94 278	257 784	2 845 233	3 798 862
Waste Management	585 546	287 904	203 545	180 142	517 187	6 741 826	8 516 150
Other	115 895	85 175	62 104	57 533	320 056	4 208 980	4 849 743
Total By Income Source	6 468 972	2 776 074	2 058 727	1 696 409	5 017 023	45 431 142	63 448 347

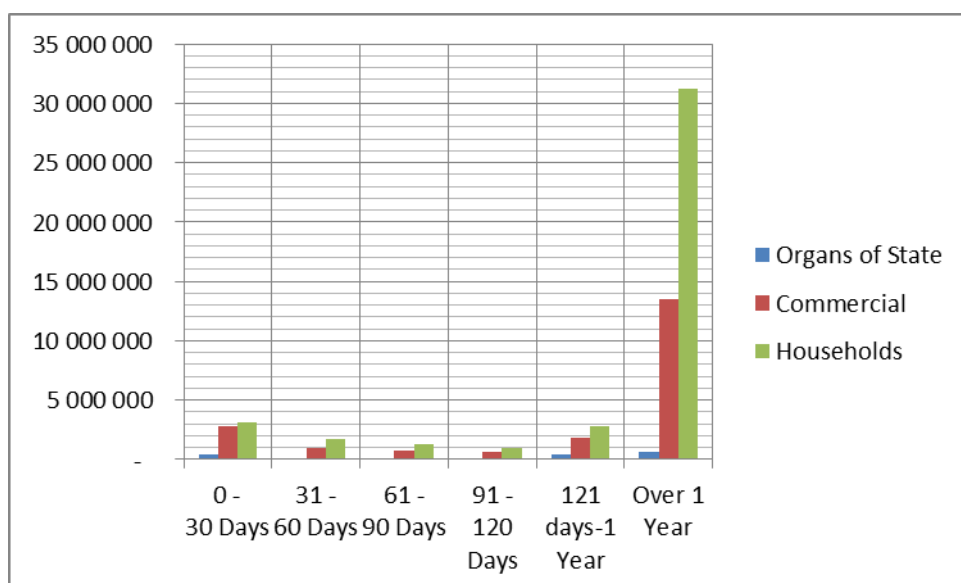
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group							
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 days-1 Year	Over 1 Year	Total
Organs of State	469 993	92 133	54 250	135 992	415 644	639 784	1 807 796
Commercial	2 851 620	926 427	707 447	589 974	1 834 027	13 558 036	20 467 531
Households	3 147 359	1 757 514	1 297 030	970 443	2 767 352	31 233 322	41 173 020
Total By Customer Group	6 468 972	2 776 074	2 058 727	1 696 409	5 017 023	45 431 142	63 448 347

CHART 9

The following chart shows the debtors outstanding per category, Chart as per information above



CREDITORS Age Analysis - Annexure B -Table SC4

The debtor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

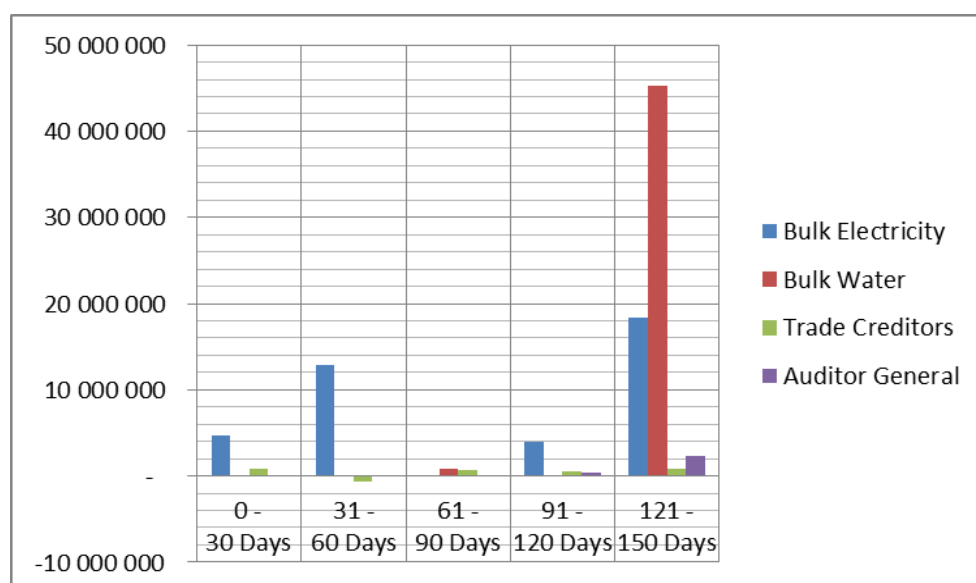
The following report shows the creditors outstanding at 31 March 2014

Creditors Analysis

Nama Khoi Municipality Creditors Age analysis - 31 March 2014						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Total
Bulk Electricity	4 726 777	12 916 397	-	3 884 351	18 343 820	39 871 345
Bulk Water	-	-	866 836	-	45 327 016	46 193 852
Trade Creditors	774 203	-619 214	747 686	525 686	866 618	2 294 979
Auditor General	-	-	-	371 360	2 325 870	2 697 229
Total	5 500 980	12 297 183	1 614 522	4 781 397	66 863 323	91 057 405

The municipality's creditors outstanding are illustrated above with Bulk Water (Sedibeng) the highest, the amount outstanding is R46 193 852 which includes a dispute from previous periods. The fact that the municipality are only collection 14.51 as at 31 March 2014 as illustrated on page 23 means that the municipality are losing over 80 % in moneys which could've been use to lower the creditors strain on the municipality.

Chart 10



Creditors Age Analysis

The comparison for creditors outstanding between February 2014 And January 2014 are as follows:

Bulk Electricity – February 2014, R36 141 million and January 2014 R33 315 this means the amount outstanding increase by R2 826 million.

Bulk Water – February 2014, R49 147 million and January 2014 R47 561 this means the amount outstanding decrease by R1 586 million.

Trade Creditors – February 2014, R2 538 million and January 2014 R2 023 this means the amount outstanding decrease by R515 thousand.

Auditor General – February 2014, R2 884 million and January 2014 R2 697 this means the amount outstanding decrease by R187 thousand.

The overall increase from the previous month is R5 182 million this is a worrying factor considering that the municipality are already over R80 million outstanding.

Debt collection has a direct impact on the ability to pay creditors; if the municipality does not collect moneys it can't pay creditors, giving the municipality position it's a given that the municipality does not collect enough revenue for payment of creditors.

The following service charges: water and electricity expenditure are than the income derive for supplying the services, the MFMA states that these to services should have a positive variance to ensure sustainability. The fact that the municipality does not make profit on these two services further adds to inability to pay creditors.

NAMA KHOI MUNICIPALITY

REPORT OUTSTANDING MONEY FOR MARCH 2014

SERVICE POINTS	OUTSTANDING 28.02.14	ADD BILLINGS	MINUS INCOME	OUTSTANDING 31.03.14	Collection Rate for the month	Collection Rate at historical debt plus current billings	INCREASING (DECREASING)	% INCREASE /(DECREA SE)
A	B	C	D	E			F	G
RATES:								
Springbok	3 554 057.81	1 325 729.80	1 336 812.37	3 542 975.24	100.84%	27.39%	(11 082.57)	(0.31%)
Steinkopf	4 282 087.41	278 848.49	176 890.63	4 384 045.27	63.44%	3.88%	101 957.86	2.38%
Concordia	1 405 555.29	139 492.08	120 735.01	1 424 312.36	86.55%	7.81%	18 757.07	1.33%
Komaggas	2 830 464.95	68 410.85	19 276.16	2 879 599.64	28.18%	0.66%	49 134.69	1.74%
Okiep	822 040.94	145 128.20	136 297.87	830 871.27	93.92%	14.09%	8 830.33	1.07%
Nababeep	583 395.78	197 083.75	207 841.29	572 638.24	105.46%	26.63%	(10 757.54)	(1.84%)
TOTAL RATES	13 477 602.18	2 154 693.17	1 997 853.33	13 634 442.02	92.72%	12.78%	156 839.84	1.16%
SERVICES:								
Springbok	3 619 127.95	4 365 286.33	4 610 307.91	3 374 106.37	105.61%	57.74%	(245 021.58)	(6.77%)
Steinkopf	5 746 199.66	497 229.70	301 801.63	5 941 627.73	60.70%	4.83%	195 428.07	3.40%
Concordia	2 758 409.08	994 783.06	918 964.62	2 834 227.52	92.38%	24.48%	75 818.44	2.75%
Komaggas	8 483 000.18	252 694.69	59 076.29	8 676 618.58	23.38%	0.68%	193 618.40	2.28%
Okiep	4 313 815.46	795 856.04	503 018.35	4 606 653.15	63.20%	9.84%	292 837.69	6.79%
Nababeep	9 867 869.57	945 486.50	548 718.68	10 264 637.39	58.04%	5.07%	396 767.82	4.02%
TOTAL SERVICES	34 788 421.90	7 851 336.32	6 941 887.48	35 697 870.74	88.42%	16.28%	909 448.84	2.61%
LANDSALES								
Springbok *	80 436.58	606.63	9 780.88	71 262.33	1612.33%	12.07%	(9 174.25)	(11.41%)
Steinkopf	147 810.02	782.98	2 806.27	145 786.73	358.41%	1.89%	(2 023.29)	(1.37%)
Concordia**	126 200.93	865.89	2 194.50	124 872.32	253.44%	1.73%	(1 328.61)	(1.05%)
Kommagas	69 362.63	743.69	839.92	69 266.40	112.94%	1.20%	(96.23)	(0.14%)
Okiep	178 195.26	120.60	13 250.03	165 065.83	10986.76%	7.43%	(13 129.43)	(7.37%)
Nababeep	38 634.95	379.38	2 032.74	36 981.59	535.81%	5.21%	(1 653.36)	(4.28%)
TOTAL LANDSALES	640 640.37	3 499.17	30 904.34	613 235.20	883.19%	4.80%	(27 405.17)	(4.28%)
GRAZINGFEES								
Springbok	8 258.19	2 380.27	2 849.42	7 789.04	119.71%	26.78%	(469.15)	(5.68%)
Steinkopf	698 249.74	43 230.97	25 598.20	715 882.51	59.21%	3.45%	17 632.77	2.53%
Concordia	272 963.71	24 570.05	22 346.49	275 187.27	90.95%	7.51%	2 223.56	0.81%
Komaggas	445 660.66	13 149.38	3 611.31	455 198.73	27.46%	0.79%	9 538.07	2.14%
Okiep	19 832.38	2 989.72	4 115.60	18 706.50	137.66%	18.03%	(1 125.88)	(5.68%)
Nababeep	10 831.97	2 191.57	2 151.48	10 872.06	98.17%	16.52%	40.09	0.37%
TOTAL GRAZINGFEE	1 455 796.65	88 511.96	60 672.50	1 483 636.11	68.55%	3.93%	27 839.46	1.91%
DIVERSE:								
Springbok	839 022.58	59 212.35	66 781.26	831 453.67	112.78%	7.43%	(7 568.91)	(0.90%)
Steinkopf	373 655.19	5 158.60	6 402.51	372 411.28	124.11%	1.69%	(1 243.91)	(0.33%)
Concordia	397 808.80	32 706.57	32 833.84	397 681.53	100.39%	7.63%	(127.27)	(0.03%)
Komaggas	381 191.74	6 040.29	4 159.80	383 072.23	68.87%	1.07%	1 880.49	0.49%
Okiep	128 625.03	1 923.86	248.14	130 300.75	12.90%	0.19%	1 675.72	1.30%
Nababeep	322 405.61	3 056.91	810.34	324 652.18	26.51%	0.25%	2 246.57	0.70%
TOTAAL DIVERSE	2 442 708.95	108 098.58	111 235.89	2 439 571.64	102.90%	4.36%	(3 137.31)	(0.13%)
GROOT TOTAAL	52 805 170.05	10 206 139.20	9 142 553.54	53 868 755.71	89.58%	14.51%	1 063 585.66	2.01%
TOTAL SERVICESPOINTS								
Springbok	8 100 903.11	5 753 215.38	6 026 531.84	7 827 586.65	104.75%	43.50%	(273 316.46)	(3.37%)
Steinkopf	11 248 002.02	825 250.74	513 499.24	11 559 753.52	62.22%	4.25%	311 751.50	2.77%
Concordia	4 960 937.81	1 192 417.65	1 097 074.46	5 056 281.00	92.00%	17.83%	95 343.19	1.92%
Komaggas	12 209 680.16	341 038.90	86 963.48	12 463 755.58	25.50%	0.69%	254 075.42	2.08%
Okiep	5 462 509.07	946 018.42	656 929.99	5 751 597.50	69.44%	10.25%	289 088.43	5.29%
Nababeep	10 823 137.88	1 148 198.11	761 554.53	11 209 781.46	66.33%	6.36%	386 643.58	3.57%
	52 805 170.05	10 206 139.20	9 142 553.54	53 868 755.71	89.58%	14.51%	1 063 585.66	2.01%

- **The report above states the collection rate of the municipality, there are two different collection rate illustrated:**
 - Collection rate for the month – The calculation is based on the current month billings versus the current month's actual income received; which shows the municipality collected 89.58% for the month of March 2014 losing 10.42% in the process.
 - Collection at historical debt plus current billings – The calculation take into consideration month billing plus the outstanding debt versus current actual money received; this means that the municipality are only collecting 14.51% of outstanding moneys at 31 March 2014.

Historical Collection rates illustrated below:

Rates

From the information above the municipality collected 27.39 % in Springbok which was the highest collection rate; however the lowest collection rate was at 0.66% which was for Komaggas.

Services

From the information above the municipality collected 57.74% at Springbok which was the highest collection rate; however the lowest collection rate was at 0.68% which was for Komaggas.

Landsales

From the information above the municipality collected 12.07% at Springbok which was the highest collection rate; however the lowest collection rate was at 1.20% which was for Komaggas.

Grazing Fees

From the information above the municipality collected 26.78% at Springbok which was the highest collection rate; however the lowest collection rate was at 0.79% which was for Komaggas.

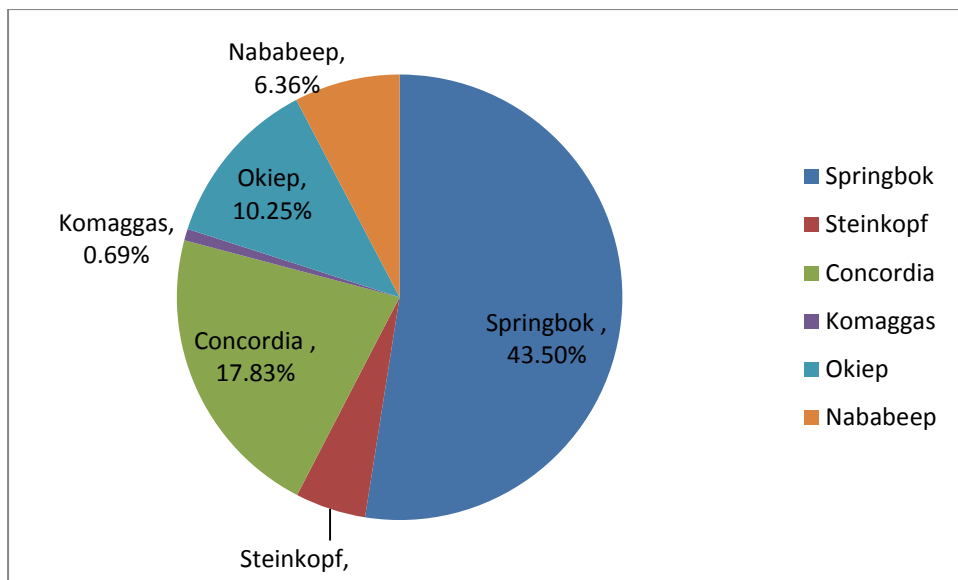
Diverse/other

From the information above the municipality collected 7.43% at Concordia which was the highest collection rate; however the lowest collection rate was at 0.19% which was for Komaggas.

Service points

From the information above the municipality collected 43.50% at Springbok which was the highest collection rate; however the lowest collection rate was at 0.69 % which was for Komaggas.

CHART: PERCENTAGE OF INCOME COLLECTED PER SERVICE POINT



NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March						
Summary of Employee and Councillor remuneration						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	2 740 690	258 187	2 340 681	2 055 517	285 163	114%
Pension and UIF Contributions	405 104	4 601	49 859	303 828	-253 969	16%
Medical Aid Contributions		-	-	-	-	
Motor Vehicle Allowance	1 292 083	87 596	798 777	969 062	-170 286	82%
Cellphone Allowance		18 232	168 688	-	168 688	
Housing Allowances		-	-	-	-	
Other benefits and allowances				-	-	
Sub Total - Councillors	4 437 877	368 616	3 358 005	3 328 408	29 597	101%
Senior Managers of the Municipality						
Basic Salaries and Wages	5 183 064	328 140	2 996 145	3 887 298	-891 153	77%
Pension and UIF Contributions	227 512	47 233	434 609	170 634	263 974	255%
Medical Aid Contributions	130 054	18 762	166 000	97 540	68 460	170%
Overtime		-	-	-	-	
Performance Bonus		-	-	-	-	
Motor Vehicle Allowance	708 283	91 647	857 759	531 212	326 546	161%
Cellphone Allowance		120	960	-	960	
Housing Allowances		1 007	10 800	-	10 800	
Other benefits and allowances	178 897	192 912	771 189	134 173	637 016	575%
Payments in lieu of leave		-	-	-	-	
Long service awards		16 803	16 803	-	16 803	
Post-retirement benefit obligations		-	-	-	-	
Sub Total - Senior Managers of Municipality	6 427 809	696 624	5 254 264	4 820 857	433 407	109%
Other Municipal Staff						
Basic Salaries and Wages	43 839 533	3 558 584	31 881 749	32 879 650	-997 901	97%
Pension and UIF Contributions	6 078 341	505 939	4 501 779	4 558 756	-56 977	99%
Medical Aid Contributions	1 299 194	137 816	1 046 122	974 396	71 726	107%
Overtime	2 158 212	201 666	2 234 256	1 618 659	615 597	138%
Performance Bonus		-	-	-	-	
Motor Vehicle Allowance	3 764 976	292 148	2 578 912	2 823 732	-244 820	91%
Cellphone Allowance		1 600	15 120	-	15 120	
Housing Allowances	309 137	19 055	172 337	231 853	-59 516	74%
Other benefits and allowances	5 124 309	472 933	3 698 792	3 843 232	-144 440	96%
Payments in lieu of leave		-	-	-	-	
Long service awards		-	68 234	-	68 234	
Post-retirement benefit obligations		-	-	-	-	
Sub Total - Other Municipal Staff	62 573 703	5 189 741	46 197 302	46 930 277	-732 976	98%
Total Parent Municipality	73 439 389	6 254 981	54 809 570	55 079 542	-269 972	100%
Total expenditure	205 312 998	7 980 173	154 529 439	141 621 237		
Total employee related cost	69 001 513	5 886 365	51 451 566	51 751 134		
% employee related cost to total expenditure	34%	74%	33%	37%		

Employee related cost to total expenditure % of an organisation should be at 35% of total expenditure, the ratio for the month of March 77%. This ratio is very high it is as result of not all expenditure items updated at the time of compilation of reports, although it has been communicated throughout the financial year it still occurs putting the municipality in a very bad position.

5. Financial Implications /Recommendations

Revenue by source:

The revenue of the municipality needs to be calculated on a monthly basis that is align to the billed amounts per month, service charges like water and electricity should be budget taking into account the seasonal difference, the operating lease register should be kept up to date to ensure the right debtors are billed the correct rates, the municipality should ensure that property rates are treated the same when budgeting and when its billed.

Expenditure by type:

Municipal management should take time consulting within their departments discussing their plans for the year and stick to the plans, the problem that occurred throughout the previous year was spending on items that were not budgeted, each head of department are responsible for his or her respective budget and should take charge and start control their budgets. All expenditure needs to be captured and updated on time to give the true reflection of the municipality month expenditure. The departments that are having overspent items already needs to discussed their budget within their respective departments and make the necessary arrangements to avoid huge overspending on line items.

Capital Expenditure:

The projects plans as per the development department should be the same as the budgeted month to month figures in the budget this will ensure that the municipality can control expenditure and avoid projects being delayed because of revenue issues.

Cash Flow Statement:

The cash flow budget should be the tool to be used throughout the year to avoid cash flow problems. Service charges collection rate needs to be in the upper 90% as they are the main income of the municipality. The same time/consulting process as with the operating budget is needed with cash flow statement as revenue billed is not necessary income received. If the municipality's current situation is taken into consideration, it is key to budget for revenue that will be cash bound to avoid cash flow pr

Debtors Analysis

Municipalities deliver services to the community these services are costly which means the municipality needs to collect revenue for all services rendered. Legislation states municipalities needs to collect more revenue for water and electricity than what was spend to deliver these services to ensure sustainability, with Nama Khoi municipality having debtors outstanding for more than R60 million should be a worrying factor for management.

Creditors Analysis

Legislation states that the municipality needs to pay creditors within 30 days, which means the municipality need to have a positive and healthy cash flow to ensure payment, debtors relates to a positive cash flow, it means if debtors do not pay creditors cannot be paid.

Collection Rate

The collection rate of the municipality starts the chain reaction of a positive cash flow at a municipality, it means if collection rates are low debtors outstanding will rise this will mean that the cash flow are hampered, which will result in the municipality having cash flow problems meaning the municipality will start having problems paying their creditors as stipulated by the legislation. The low collection rate of March 2014 shows that the debtors outstanding are still increasing bringing more cash flow problems and will increased creditors outstanding.

6. Interdepartmental and cluster impact

This report is prepared to achieve MFMA compliance.

7. Comments of the Head: Legal Services

The above mentioned report as such does not call for legal clarification

8. Conclusion

This report was compiled in accordance compliance of section 71 of the MFMA, by providing a statement to the Council containing certain financial particulars

PREPARED BY:

Heinri Cloete

Section Head: Financial Services

Budget & Treasury

DATE: 14 April 2014

NAMAKHOIMUNICIPALITY QUALITY CERTIFICATE

I, Russel Hartley, the acting Municipal Manager of Nama Khoi Municipality, hereby certify that –

- the monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 31 March 2014 has been prepared in accordance with the Municipal Finance Management Act 71 and regulations made under that Act.

Print name:.....

Municipal Manager of Nama Khoi Municipality

Signature:.....

Date:.....

Annexure A

Reports and reportable matters

Monthly reports statements – Section 71 MFMA

(1) The accounting officer of a municipality must no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source
- (b) Actual borrowings
- (c) Actual expenditure per vote
- (d) Actual capital expenditure per vote
- (e) The amount of any allocations received
- (f) Actual expenditure on those allocations, excluding expenditure on –
 - (i) Its share of the local government equitable share, and
 - (ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) When necessary, an explanation of –
 - (i) Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) Any material variances from the service delivery and budget implementation plan; and
 - (iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget

(2) The statement must include –

- (a) A projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
 - (b) The prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10)
- (3) The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget

- (4) The statement to the provincial treasury must be in the format of a signed document and in the electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets per municipality and municipal entity
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budget per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after end of each quarter.

NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT

General information and contact information

Main tables

Consolidated Monthly Statements

Table C1-SUM	Summary
Table C2-FinPer SC	Financial Performance (standard classification)
Table C2C	Financial Performance (standard classification)
Table C3-Fin Per V	Financial Performance (revenue and expenditure by municipal vote)
Table C3C	Financial Performance (revenue and expenditure by municipal vote)
Table C4-FinPerRE	Financial Performance (revenue and expenditure)
Table C5-CAPEX	Capital Expenditure (municipal vote, standard classification)
Table C5C	Capital Expenditure (municipal vote, standard classification)
Table C6-FinPos	Financial Position
Table C7-Cflow	Cash Flow

Supporting Tables

Table SC1	Material variance explanations
Table SC2	Monthly Budget Statement – Performance Indicators
Table SC3	Monthly Budget Statement – Aged debtors
Table SC4	Monthly Budget Statement – Aged creditors
Table S5	Monthly Budget Statement – Investment portfolio
Table SC6	Monthly Budget Statement – Transfer and grant receipts
Table SC7	Monthly Budget Statement – Transfer and grant expenditure
Table SC8	Monthly Budget Statement – Councillor and staff benefits
Table SC9	Monthly Budget Statement – Actual and revised targets for cash receipts
Table SC10	Monthly Budget Statement – Parent Municipality Financial Performance
Table SC11	Monthly Budget Statement – Summary of municipal entities
Table SC 12	Consolidated Monthly Budget Statement – Capital expenditure trend

Table SC13 a	Consolidated Monthly Budget Statement – Capital expenditure on new assets by asset class
Table SC b	Consolidated Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
Table SC c	Consolidated Monthly Budget Statement – Expenditure on repairs and maintenance by asset class
Table SC d	Consolidated Monthly Budget Statement – depreciation by asset class
Table SC71	Charts

Attached

Return Forms

Attached

Additional Information